





City of Loma Linda Official Report

Floyd Petersen, Mayor
Stan Brauer, Mayor pro tempore
Robert Christman, Councilmember
Robert Ziprick, Councilmember
Charles Umeda, Councilmember

COUNCIL AGENDA: August 23, 2005

TO: City Council

VIA: Dennis R. Halloway, City Manager 

FROM: Deborah Woldruff, AICP, Community Development Director 

SUBJECT: PRECISE PLAN OF DESIGN (PPD) NO. 05-05/VARIANCE (VAR) NO. 05-04 (CALIFORNIA HEART & SURGICAL HOSPITAL) - A proposal to construct a 70,000 square-foot surgical hospital and 25,000 square-foot medical building on a 6.33-acre site located at the northeast corner of Barton Road and New Jersey Street. The variance request is for a 46-foot tower structure on the hospital building that exceeds the 35-foot maximum height allowance of the Administration Professional (AP) zone.

RECOMMENDATION

The recommendation is that the City Council takes the following actions:

1. Adopt the Revised Mitigated Negative Declaration
2. Approve the Certificate of Appropriateness based on the Findings; and,
3. Approve PPD No. 05-05 and VAR No. 05-04 based on the Findings, and subject to the attached Conditions of Approval.

BACKGROUND

The California Heart & Surgical Hospital (CHSH) Project was formerly submitted and processed as Precise Plan of Design (PPD) No. 04-13. The Planning Commission reviewed and recommended approval of PPD No. 04-13 to the City Council on December 1, 2005. Once the project reached the City Council level, it was continued without hearing on several occasions during the early months of 2005 in the hopes that approvals from state and federal agencies would be forthcoming.

On April 26, 2005, the project applicant submitted a letter withdrawing the CHSH Project. The purpose of the withdrawal was to allow time for the applicant to receive approvals from the state and federal regulatory agencies. In addition, the project was very close to exceeding regulatory

time frames for application processing pursuant to the California Permit Streamlining Act. The applicant's letter was forwarded to the City Council on May 10th and the request was granted with the understanding that the application soon would be resubmitted.

In mid May, the application was resubmitted and renumbered as PPD No. 05-05 and began the planning and environmental review processes anew. While the project proposal has not changed, a variance request has been added to address the height of the tower structure of the hospital building. When the project was submitted as PPD No. 04-13, staff and the applicant had anticipated that the site would be re-designated through the General Plan Update Project as Special Planning Area (SPA) G. Under that scenario, a variance would not have been necessary because the zoning requirements would have been determined by the physical characteristics of the project.

On May 10, 2005, the Administrative Review Committee (ARC) reviewed the project and cleared it to the Planning Commission. The draft environmental document was cleared to begin the public review period. The ARC comments have been incorporated into the project.

On June 6, 2005, the Historical Commission reviewed the project and recommended that the Certificate of Appropriateness be approved by the City Council. The Commission forwarded comments and concerns about the project and included recommendations for additional Conditions of Approval. The recommendations of the Historical Commission are described in the July 6, 2005 Planning Commission Staff Report (Attachment 1).

On July 6, 2005, staff presented the project to the Planning Commission and recommended that it be continued to the August meeting so that revisions to the Air Quality Section of the environmental document could be made. The South Coast Air Quality Management District (SCAQMD) had submitted a letter of comment on July 6th. The letter indicated that the air quality analysis should be re-evaluated using a new version of the URBEMIS 2002 (Version 8.7.0) air emissions program. The Planning Commission granted staff's request and continued the project to August 3, 2005. During the 30-day continuance, the revised environmental document was re-circulated for public review as required by CEQA.

On August 3, 2005, the Planning Commission reviewed the project and revised environmental document, and opened the public hearing. Testimony was received from local and nearby hospitals and medical centers, medical professionals, and area residents both in opposition and in favor of the project. The Commission forwarded the project to the City Council with recommendations to adopt the Revised Mitigated Negative Declaration and approve the project based upon findings and subject to the Conditions of Approval. Copies of the August 3, 2005 Planning Commission Staff Report, Revised Mitigated Negative Declaration (July 14, 2005), and Conditions of Approval are available in Attachments 2 through 4, respectively.

ANALYSIS

Project Description. The project is a request to construct a 70,000 square-foot surgical hospital and 25,000 square-foot medical building with the associated amenities including the Zanja Trail, landscaping, and site design. Also requested is a variance for the 46-foot tower structure on the

front elevation of the hospital building to exceed the maximum 35-foot building height requirement. The site is located at the northeast corner of Barton Road and New Jersey Street in the Professional Office General Plan land use designation and in the Administrative Professional Office (AP) zone. Copies of the Site Location Map/Project Plans and the Applicant's Statement of Operations are available in Attachments 5 and 6, respectively.

Analysis. During the public hearing on August 3, 2005, the Planning Commission received testimony and Comment Letters both in opposition and in favor of the project. The main concern of local hospital officials and area residents is that the proposed CHSH is a for profit facility that may take the highest paying patients who need certain medical treatments and procedures from the local area hospitals. Representatives from Redlands Community Hospital, Loma Linda University Foundation (speaking on behalf of the Loma Linda University Medical Center and associated facilities), St Bernadine Medical Center, Riverside Community Hospital, and other such facilities stated that if their operating revenues are reduced as a result of competition with CHSH, certain emergency, critical care, and community outreach services that they provide could be negatively affected.

The hospital and medical center representatives felt that their concerns should have been evaluated in the revised NOI/Initial Study as potential environmental impacts resulting from the proposed project. However, staff responded that while the issues raised are of concern, the nature of the issues is economic rather than environmental. The CEQA Checklist does provide for an evaluation of impacts to public services such as police and fire but not to non-governmental public services. CEQA Guidelines Section 15131 states that the economic or social effects of a project shall not be treated as significant effects on the environment unless there is a direct and measurable negative environmental impact (such as increased neighborhood deterioration, blight, and crime). The revised NOI/Initial Study clearly indicates that there is no direct and measurable environmental impact resulting from the potential economic effects of this project.

Documentation on the potential economic impacts of specialty hospitals was submitted by the Redlands Community Hospital and Loma Linda University Medical Center for the City Council's consideration. While the Planning Commission reviewed this documentation, they were not influenced by it because their view is that economic issues are the purview of the City Council. The existing General Plan contains goals and policies that allow medical and related uses in the Professional Office land use designation. The related goals and policies do not differentiate between "for-profit" vs. "non-profit" medical uses. The Administrative Professional (AP) zone implements the General Plan through ordinance by permitting these types of uses pending compliance with the City's development regulations. It is presumed that the local economy and fiscal needs of the community were evaluated by the City prior to establishment of the land use designation and zoning on the site and surrounding area. Based on the preceding, changes to the General Plan policies and Zoning Code regulations must be initiated by the City Council, which is the legislative body. Copies of the documentation related to the potential economic impacts of specialty hospitals were previously distributed to the City Council and City Administration.

Recognizing that economic issues are at play here, the problems that exist in the healthcare industry are issues that need to be addressed at the federal level. It should not fall on local communities to resolve these issues.

The proposed California Heart and Surgical Hospital (CHSH) facilities are consistent with the existing Professional Office General Plan and Draft General Plan Special Planning Area G land use designations and in compliance with the Administrative and Professional Office (AP) Zone requirements. The hospital and medical office uses are compatible with the existing and future land uses in surrounding area.

The project site is located in the Historical Mission Overlay District and subject to the requirements of the ordinance. The Historical Commission reviewed the project and recommended the approval of the Certificate of Appropriateness to the City Council. The Commission also recommended that the Planning Commission and City Council approve four additional Conditions of Approval that relate to historic preservation. And finally, they forwarded a statement to the Planning Commission and City Council relating to their goals to preserve significant historical health care industries in the area. A detailed discussion of the Historical Commission's comments, concerns, and conclusions are contained in the July 6, 2005 Planning Commission Staff Report.

Finally, a detailed analysis that includes findings for the PPD and VAR is contained in the July 6, 2005 Planning Commission Staff Report. Additional analysis on the air quality issues is contained in the August 3, 2005 Planning Commission Staff Report.

Public Comments. The City has received many Comment Letters (via mail, facsimile, voice-mail and e-mail) and additional information both in favor of and in opposition of the proposed project. Those in favor of the project appear to like the opportunity for additional medical services in the local area. Those in opposition of the project are concerned that the for-profit hospital will divert revenues for expensive surgeries and treatments that non-profit facilities rely on to fund essential community services such as the operation of emergency rooms. The local hospitals are concerned that the California Heart & Surgical Hospital will irrevocably damage the financial stability of the existing institutions. However, it should be noted that the impacts to the local industries or the economy translate into policy issues that are the purview of the City Council. The Planning Commission's role is generally limited to land use, zoning, and environmental issues. Copies of the comment letters and additional information are available and indexed in Attachment 7, and include comment letters from the previous application, PPD No. 04-13.

ENVIRONMENTAL

On July 14, 2005, staff prepared a revision to the Air Quality Analysis section of the Initial Study and re-issued the Notice of Intent (NOI) to Adopt a Mitigated Negative Declaration. The mandatory CEQA public review began on Thursday, July 14, 2005 and ended on Wednesday, August 3, 2005. All of the potential project impacts identified in the Initial Study can be mitigated to below a level of significance. The Mitigation Measures identified and included in the Initial Study have been incorporated into the project requirements as Conditions of Approval. At the close of the public review period on August 3, 2005, no written comments on the revised

environmental document had been submitted to the City. A copy of the Mitigated Negative Declaration (NOI/Initial Study, Revised July 14, 2005) is available in Attachment 3.

FINANCIAL IMPACT

The financial impacts to the City in terms of property tax revenues and the cost of public services are not completely known at this time. However, staff estimates that the project will be required to pay well over \$500,000 in Development Impact Fees to the City in addition to Building and Construction Plan Check and Permit fees.

ATTACHMENTS

1. Planning Commission Staff Report (July 6, 2005) (*Attachments not included*)
2. Planning Commission Staff Report (August 3, 2005) (*Attachments not included*)
3. Revised Mitigated Negative Declaration (NOI/Initial Study)
4. Conditions of Approval
5. Site Location Map and Project Plans
6. Applicant's Statement of Operations
7. Public Comments